

*7/5: Civil Service  
Retirement Changes*

## ROUTING AND RECORD SHEET

SUBJECT: (Optional)

STATM:

EXTENSION

NO.

Deputy Director of Personnel

STAT

5 E 58 Hqs.

DATE

5 July 1983

TO: (Officer designation, room number, and building)

DATE

RECEIVED

FORWARDED

OFFICER'S  
INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

STAT

AGC/LD

7 B 44 Hqs.

FYI

2.

STAT

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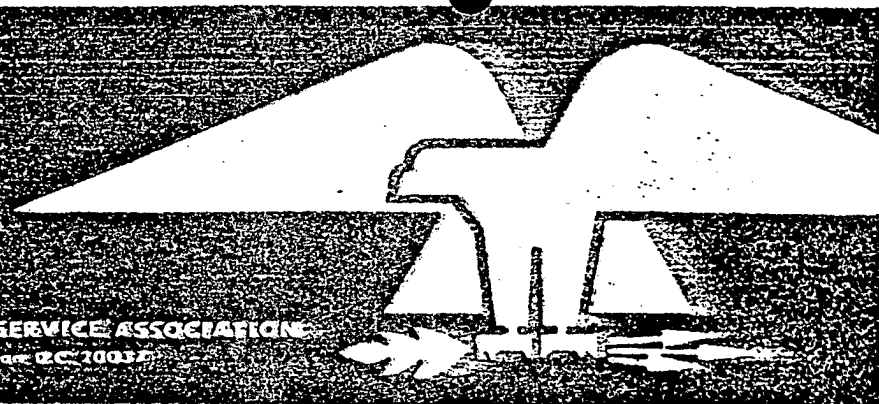
15.

*Held for*

36

**AFSA  
NEWS**

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**AMERICAN FOREIGN SERVICE ASSOCIATION**  
2107 E Street, N.W. Washington, D.C. 20037



May 18, 1983

## CHANGES IN RETIREMENT AND SALARIES - XVII

**Summary:** The worldwide response to the Governing Board's appeal for a Legislative Action Fund has been overwhelming. Contributions to date exceed \$20,000 and new donations arrive daily. End summary.

In March, the Governing Board of the Association created a Legislative Action Fund (LAF) for the purpose of defeating any and all attacks on the integrity of the Foreign Service retirement system. AFSA has applied the monies received by the LAF directly toward the retirement fight. The quick infusion of funds has enabled us to make a quantum leap in the quantity and quality of our congressional liaison operations and has given us a framework of contacts and sources of information which will serve us in good stead for years to come.

A great deal of thought and discussion went into how to insure the most effective use of the LAF and the working group on retirement formulated the following guidelines:

To be funded by the LAF, an activity must:

1. Relate directly to the retirement fight;
2. Involve expenses incurred after January 1, 1983;
3. Not be an activity the Association was involved in or would normally undertake;
4. Produce demonstrable results, i.e., not have as its objective an immeasurable goal such as "improving public perceptions of federal workers."

Under these guidelines, we do not charge the LAF for the time of our attorney or law clerk, although they spend many hours on the retirement issue. Nor do we bill the fund for the cost of Redtop messages, taxi fares to the Hill, postage for mailings to Congress, etc. We have also decided to charge only half of the salary of our Congressional Liaison officer to the fund in recognition that the benefits of his actions extend far past the retirement issue.

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## Expenses to be charged to the Legislative Action Fund:

Fund to Assure an Independent Retirement (FAIR)	
-- Special assessment - media campaign	\$840
-- Monthly dues - 5 months at \$70 per month	350
Membership AFL-CIO Coalition on retirement	100
Legislative Seminar	100
Legal Seminar on Retirement	45
Congressional Monitor (a daily publication which details the previous days' activities, gives the schedule of that day's floor action and committee hearings and provides information on future sessions).	660
Half of salary of Legislative Liaison	4,500

We have won several major battles in this fight over the past few weeks. However, the Administration is no less determined to shove these changes through today than they were two months ago. The difference will be that they will choose the time and place of their next attack very carefully.

Comment: The retirement fight is going to be with us for some time to come. AFSA has chosen to limit "first rush" expenditures of the LAF in order to be prepared for the long haul. We thank all the individuals and posts who have contributed and encourage all those who haven't yet done so to stand up and be counted at this time. Comments are encouraged.

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## CHANGES IN RETIREMENT AND SALARIES - XVI

**SUMMARY:** Beirut tragedy overshadows other actions. Current Administration strategy. Senate adds strong language in Authorization Bill on Foreign Service Retirement System. End Summary.

The tragic bombing in Beirut has occupied much of the time of AFSA over the past 10 days. Even as we mourn our colleagues, however, we are reminded once again that the Foreign Service is a unique service, one which places special demands on its members and has corresponding special needs.

**Administration Strategy** — The Administration continues to shop for a suitable vehicle on which to attach the retirement proposals. However, our sources tell us that there is a major split between OMB and OPM as to the best strategy for the Administration to pursue at this time. OMB is apparently proposing that the package of "reforms" be split up, with the "easy" ones put through at once and the more controversial ones held until later. OPM, however, still believes that the entire package can be gotten through the Congress if the proper vehicle and timing are obtained. At present, OPM has the upper hand.

In AFSA's opinion, the OPM line is more immediately threatening, but it is also easier to counter. The OMB version would be more difficult to fight as the lead off requests would be packaged as "reasonable" ones of "little" impact. AFSA will continue to stay alert to both tactics.

On the Hill, Senator Mathias introduced the following report language into the State Authorization Bill:

The President has proposed far-reaching changes in the federal retirement system, including changes in the foreign service retirement system. This Committee, which has jurisdiction over foreign service personnel, believes that any proposals to alter the foreign service retirement system must take into account the unique, difficult, and often dangerous conditions under which foreign service officers serve.

Illustrative of these dangers are the 11 hostage/kidnapping incidents involving American diplomats since 1970 and the more than 150 other incidents during the same period featuring attacks against diplomatic installations, individual members of the Service, and their property. Since 1968, 5 ambassadors and five other foreign service officers have been killed by terrorists. (These figures do not include the numbers of dead and wounded in the recent bombing of the American Embassy in Beirut.)

These difficult conditions, and the "up-or-out" mandatory retirement features of the foreign service personnel system, are the primary reasons for the existing early voluntary retirement age — age 50 with 20 years of service. If the foreign service retirement system is changed to prevent or penalize early retirement, such as the President has proposed with the imposition of a 5% of annuity penalty for each year an individual retires under age 60, it may damage the personnel system.

The Committee believes that any review of the federal retirement system must include a separate review of the foreign service retirement system. Since oversight of the foreign service and its retirement system is within the jurisdiction of this Committee, we expect the Administration to submit any proposed changes in the foreign service retirement system to this Committee in advance for our approval or, alternatively, for the preparation of legislation to maintain the unique features of the foreign service retirement system.

AFSA is greatly appreciative of Senator Mathias's personal involvement and intends to continue to work with him and other Congressional leaders on the retirement issue.

The Association has received a tremendous response to its call for a Legislative Action Fund. We will be reporting on where it stands later in the week after the April figures are determined.

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April 12, 1983

## CHANGES IN RETIREMENT AND SALARIES - XV

**SUMMARY:** AFSA calls for Foreign Affairs Committee to hold hearings on retirement proposals. AFSA appears before Board of Foreign Service. Update on Administration strategy from AFSA's lobbyist. End summary.

AFSA has written the Foreign Affairs Committee in the House and the Foreign Relations Committee in the Senate and called on them to hold oversight hearings on the effects of the proposed changes in retirement on the Foreign Service. AFSA is launching this new initiative in conjunction with several other public employee organizations who are calling for hearings in their respective committees. This move is being undertaken to get more members of Congress directly involved with the retirement issue and build support for a knockout blow to these proposals once and for all. Additionally, this will give us a congressional forum where we can address the Foreign Service specific side of our arguments along with the Federal Service wide ones.

AFSA President Dennis Hays appeared before the Board of the Foreign Service on April 9, and encouraged this body to press for a complete exemption for the Foreign Service from the retirement changes. The Board, which is made up of representatives of the five foreign affairs agencies and OMB and OPM, is charged with giving guidance to the Secretary and President on matters which affect the Foreign Service. AFSA used this meeting to insist that there can be no rest until these proposals are defeated and the principle of exemption for the Foreign Service is firmly established.

At the April 5th meeting of the Governing Board, AFSA Congressional Lobbyist Robert Beers reported on new developments. "While certain key members of both the House and Senate have indicated that they do not endorse the measures proposed by the Administration, there is a real possibility that these proposals could be brought formally before the Congress in one of the following ways:

- A. The Administration may have its own legislation introduced.
- B. The proposals could be included in the conference bill on the budget resolution.
- C. They could be acted upon during the budget reconciliation process.
- D. They could be appended to a continuing resolution."

Beers continued, "To combat any of these possibilities, AFSA should direct its efforts along the following lines:

1) Continue to work cooperatively with other employee and retiree organizations to block the President's proposals from becoming law. These include FAIR, the federal employee's coordinating committee, and the informal coalition being formed by the Public Employees Division of the AFL-CIO.

2) Examine H.R. 2097, a bill introduced by Congressman Frank Wolf (R. VA) and Senator John Warner (R. VA) with 22 co-sponsors to establish a "Commission on the Centennial Review of the Civil Service." This would be a high-level group, possibly chaired by ex-President Ford, which would review all facets of the Federal Civilian Service -- pay and allowances, retirement, recruiting, training, promotion, retention, and labor-management relations. The commission would report to the Congress after the 1984 elections. The advantage of such a commission would be that it would slow things down and introduce an element of bi-partisanship to this issue. The disadvantage would be that this commission could take on the same weight as the commission on Social Security and would be difficult to stop if it recommends measures unfair to federal workers. At a bare minimum our support would be dependent on at least one of the commissions being a representative of Foreign Service interests.

Seek to disassociate the Foreign Service retirement system from that of the Civil Service by amending the Foreign Service Act to include language confirming the role of retirement as an integral element in the Foreign Service personnel process.

4) Encourage a continuing stream of letters and visits from Foreign Service people to their members of Congress emphasizing the special requirements of the service and the importance of maintaining a retirement system that supports them while calling for the defeat of the entire package."